

{July 20, 2007} — Washington, D.C. — Yesterday, the Small Business trade bill which Congressman Joe Sestak (D-PA) introduced earlier this summer passed unanimously through the House Small Business Committee. The SBA Trade Programs Act of 2007 will strengthen and expand small business exporter access into foreign markets, and to protect and assist small businesses affected by the global market through enhancing Trade Adjustment Assistance programs.

“Small businesses currently make up 97 percent of all exporters and there is great untapped potential for small businesses to continue to grow their exports overseas. Additionally, I believe it is critically important to expand trade adjustment assistance to firms that are adversely affected by globalization,” said Congressman Sestak.

Over the past three years, changes in our global economy have cost Pennsylvania's Seventh District 607 small businesses and one of five manufacturing establishments. Joe believes that providing greater assistance to small businesses who are interested in entering new markets, both domestically and overseas, will help reverse these disturbing trends. In May, Congressman Sestak hosted an Economic Summit, in partnership with the Philadelphia Export Assistance Center, to provide small business owners with information about the business resources and services provided by the local, state, and federal government. In particular, there were a series of panels on trade finance and small business exporting.

The SBA Trade Programs Act of 2007 establishes a comprehensive set of tools at the agency so that domestic assistance programs will also reflect the international-oriented demands of small businesses. To that end, the bill focuses on enhancing export assistance, trade adjustment assistance resources, increasing protections against unfair trade practices, and recognizes the need for a small business trade strategy.

Developing and Implementing Small Business Trade Policies

The legislation requires the SBA's Office of International Trade (OIT) Director to develop trade policies that support small businesses in domestic and foreign markets and then implement them through relationships developed with federal trade policy makers, particularly the US Trade Representative and transnational organizations, such as the Organization for Economic Co-operation and Development (OECD).

Additionally, the bill includes a provision for OIT to design a plan, an Annual Trade Strategy, each fiscal year with the objective to increase small business access to domestic and international markets. The strategy should be in the form of a report and include at least the following components: strategies to increase exports, including priority markets and industries; plans to increase the competitiveness of domestic small business industries in the global economy; plans to protect small businesses from unfair trade practices, including intellectual property violations and import dumping; strategies to expand small business representation in US trade policy formation and implementation; and coordination efforts with other trade related Federal agencies, such as the Overseas Private Investment Corporation and the US Export-Import Bank.

To increase its effectiveness, the report will include specific policies and a timeline to implement objectives.

Protecting Small Businesses Against Unfair Trade Practices

To ensure that small businesses can participate in a level and fair playing field as market barriers fall, these firms significantly benefit from the enforcement of international trade laws.

The legislation creates a new mandate for SBA to provide tools for small businesses that assist them protect their rights in this new system significantly increase their capacity to remain competitive in domestic and global markets, and serve as protection against international law violations.

Given the lack of strict enforcement of international piracy and counterfeiting laws, which particularly harms small businesses, the legislation also assists small businesses protect their intellectual property assets in foreign markets. SBA will work in consultation with the US Patent and Trade Office as well as the US Copyright Office to aid entrepreneurs in utilizing resources to safeguard their patents, trademarks, and copyrights in foreign countries.

Trade Adjustment Assistance for Small Businesses

To help entrepreneurs overcome dislocations due to global trends, the legislation establishes a trade adjustment assistance program providing them with access to technical and finance resources at the agency to shift their enterprises.

The agency will develop a comprehensive set of services to assist these firms readjust to current economic conditions, including the creation of programs that provide training, access to technology, marketing assistance, and research/information on domestic and global markets.

These tools will be provided to small businesses through the agency's business outreach centers, including the Small Business Development Centers, Women's Business Centers, and SCORE programs.

Export Assistance

To meet the growing demand for export opportunities, especially as domestic small businesses look for new markets and industries face increased competition for foreign competitors, the legislation expands assistance for overseas transactions. This reverses the decline in the agency's resources which help to maintain these firms' competitiveness in global markets, particularly against foreign companies receiving some form of national export subsidies. Consequently, to bring these resources back to previous levels, the legislation provides for the establishment of six additional trade finance specialists which serve in U.S. Export Assistance Centers.

To help fill credit gaps for small businesses, the legislation expands the agency's export financing programs. The goal of this section is to help small firms' access capital and thereby increase their competitiveness against foreign and corporate counterparts in world markets. The legislation increases the size of international loans will increase, allowing these firms to have adequate capital to meet export needs. Loan award amounts for overseas transactions will increase from \$2 million to \$3 million.

Congressman Sestak has held several Economic Summits in the District to help bring together the business leaders, academia, and the community to spur economic development. The next one, the District's first Women's Summit, will address challenges facing women small business owners and issues affecting women in the workplace on Monday, July 23 at Bryn Mawr College from 10:00AM until 2:00PM. During the Women's Summit, House Small Business Committee Chairwoman Nydia Velazquez will be presiding over an official Committee Field Hearing on "Challenges Facing Women Small Business Owners." The hearing will be followed by two one-hour panels on issues facing women in the workplace and "success strategies."

Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a

series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the U.S. Congress.

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